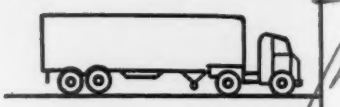

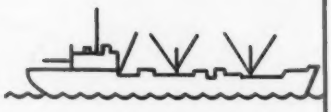

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Vol. II No. 3 - 1975

TRANSPORT ECONOMICS

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INTERSTATE COMMERCE COMMISSION

Vol. II No. 3 - 1975

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Note: This release, issued as information, has not been adopted by the Interstate Commerce Commission.

1. Freight forwarder industry, selected years, 1950-1973:

Freight forwarders have experienced little sustained growth in tons of freight received since they first came under Commission regulation in 1942. The number of shipments received has fluctuated during the period and their average weight has increased.

As shown in the following tables, 1973 tonnage was 6.8-percent higher than that for 1950, while the average shipment was 48.4 percent heavier. Revenues have increased in most years and the spread between forwarder revenues from patrons and payments to carriers has been widening. Increased operating expenses in recent years have more than offset this trend, producing comparatively smaller industry incomes.

Table 2 shows the pattern of the expenditures for transportation and their relationship to the revenues received by the forwarder for transportation service. In 1950, railroads received 69.3 percent of total forwarder transportation payments, but by 1973 the rails were receiving only 28.3 percent. Over the same period, the share of total payments made for motor carrier transportation decreased by 0.4 percentage points to 15.5 percent, while the portion paid for pickup and delivery service increased by 16 points to 29.5 percent of total expenditure. The share paid for other transportation, for the most part representing air service, also shows a rapid growth in recent years. While the distribution of payments among various modes was shifting, the difference between the transportation revenues received by forwarders and their expenditures for purchased transportation widened. Purchases equalled 76.0 percent of revenues in 1950, 70.9 percent in 1960, and 68.1 percent in 1973.

Revenues and expenses for freight forwarder operations have grown almost continuously over the last 20 years, but the relationship between them has varied considerably, as is shown by the data in Table 3. The operating ratio dropped 6.11 percentage points in 1973 from a 1970 high of 98.35. Employment in the industry moved irregularly, over the period shown, except for 1973 which showed a large increase over 1972. By 1973 employee compensation had fallen to 41.7 percent of the total operating expenses compared to 57.6 percent in 1950. The 1970 deficit in net income, shown in Table 3, was the first such loss for the industry as a whole in its 31 years under regulation, but recovered to a profit in the last 3 years. Losses were posted by 29 of the 110 firms reporting in 1973, compared to 22 in 1972. The firms with losses received 26.6 percent of the industry forwarder revenues. Among them were 7 forwarders which accounted for 21.9 percent of the industry revenues and reported total net losses of $9.0 million. The 22 smaller firms experienced losses in 1973 totaling $2.8 million.

The data in Table 4 relate to the financial condition of class A freight forwarders. Shareholders' equity, comprising capital stock, proprietorial capital, and total surplus, rose from $53.2 million in 1972 to $57.3 million in 1973. Total assets grew by $52.7 million in 1973, while the total liabilities increased only $43.6 million. "Other" liabilities include reserves, deferred credits, and several capital stock items.

The two ratios in Table 5 have often been used as economic indicators for the freight forwarder industry. The first is the ratio of net revenue from forwarder operations, less transportation taxes, to net investment in transportation property plus working capital. Before 1973 this ratio had been relatively high when related to comparable ratios for other modes; a result of the relatively small forwarder investment in carrier property.[1] The ratio decreased to 34.77 percent in 1973 from 36.23 percent in 1972. The record ratio, comparing net or ordinary income to shareholders' equity, shows that this measure of the industry's profitability has generally ranged well above 20 percent during recent years, with the exception of 1970 when net income recorded a deficit.

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[1]Comparison of Tables 4 and 5 shows that prior to 1971 net investment in transportation represented less than one-third of the total investment base including working capital.

Table 1

Tons of freight and number of shipments received by class A freight forwarders,[1] selected years, 1950-1973

Year	Tons of freight received from shippers	Number of shipments received	Average weight per shipment
	Thousands	*Thousands*	*Pounds*
1950	4,204	18,927	444
1955	4,697	25,251	372
1960	4,100	23,120	355
1965	3,994	16,142	495
1966	4,501	17,663	510
1967	4,352	16,630	523
1968	4,503	16,791	536
1969	4,443	15,519	573
1970	4,203	13,454	625
1971	3,641	11,114	655
1972	4,255	14,133	602
1973	4,489	13,624	659

[1]Class A forwarders are those with annual forwarder revenues of $100,000 or more.

Source: *Transport Statistics in the United States.*

Table 2

Transportation revenues and transportation purchased, class A freight forwarders, selected years, 1950-1973

Year	Number of forwarders represented	Forwarder transportation revenues	Transportation purchased					
			Railroad	Motor	Water	Pickup and delivery transfer	Other	Total
		Millions	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*
1950	62	$287.0	$151.2	$ 34.6	$ 2.7	$ 29.6	$ 0.2	$218.2
1955	56	401.3	205.2	47.8	2.2	46.5	0.8	302.6
1960	64	437.0	188.4	58.9	2.0	58.7	1.7	309.7
1965	59	459.3	151.2	72.1	8.4	71.3	3.4	306.5
1966	61	526.8	170.1	80.8	4.8	83.2	7.1	345.9
1967	63	518.8	158.6	82.9	4.0	84.0	7.3	336.9
1968	64	560.7	165.2	96.9	5.1	91.7	8.7	367.7
1969	65	590.6	170.8	99.3	6.2	95.2	12.8	384.4
1970	65	594.3	175.2	90.0	7.1	99.0	16.2	387.4
1971	74	587.3	160.5	87.6	13.7	99.9	18.2	379.9
1972	91	727.7	168.8	89.6	19.6	151.8	60.3	490.1
1973	110	961.6	184.9	101.6	40.2	193.4	134.4	654.5

Source: *Selected Financial and Operating Statistics from Annual Reports of Freight Forwarders;* Statement Nos. 443, 474, and 5160, Bureau of Transport Economics and Statistics; and *Transport Statistics in the United States.*

Table 3

Operating revenues, expenses, income taxes, net or ordinary income, and employment of class A freight forwarders, selected years, 1950-1973

Year	Operating revenues	Operating expenses	Operating ratio	Net revenue from forwarder operations[1]	Income taxes	Net income	Employees	
							Average number	Compensation
	Millions	*Millions*	*Percent*	*Millions*	*Millions*	*Millions*		*Millions*
1950	$ 70.5	$ 62.9	89.20	$ 7.6	$2.8	$ 4.6	11,950	$ 36.2
1955	101.3	93.9	92.71	7.4	2.6	4.3	11,673	48.4
1960	131.7	126.4	95.96	5.3	2.8	2.8	10,914	57.6
1965	155.4	136.5	87.83	18.9	7.5	11.4	8,457	55.2
1966	184.0	160.7	87.31	23.4	9.3	11.8[2]	9,341	62.5
1967	185.7	167.3	90.05	18.5	8.4[3]	8.6[2 4]	9,422	66.4
1968	196.9	179.8	91.28	17.2	9.4[3]	6.8[2 4]	9,786	74.0
1969	211.1	193.8	91.81	17.3	8.5[3]	7.0[4]	10,521	81.4
1970	211.0	207.6	98.35	3.5	0.5[3]	d 1.9[4]	9,665	82.9
1971	216.1	201.5	93.25	14.6	6.7[3]	5.3[4]	9,028	82.8
1972	252.7	233.8	92.51	18.9	7.8[3]	8.5[4]	9,485	97.8
1973	326.4	301.1	92.24	25.3	9.0[3]	11.0[4]	12,728	125.5

[1]Totals represent excess of operating revenues over operating expenses. Figures shown may not agree due to rounding.
[2]Does not include one large freight forwarder in process of reorganization under Chapter X of the Bankruptcy Act.
[3]Excludes income taxes on extraordinary or prior period items.
[4]Ordinary income before adjustment for extraordinary and prior period items.

Source: See Table 1.

Table 4

Selected balance sheet items of class A freight forwarders, selected years, 1950-1973

Aggregates in millions

Year	Current assets	Net investment in transportation property	All other assets	Current liabilities[1]	Long term debt[1]	All other liabilities	Shareholders' equity
1950	$ 37.3	$ 2.4	$ 2.8	$ 27.1	$ 0.7	$ 1.5	$14.8
1955	46.8	2.9	4.7	32.9	0.4	1.6	19.5
1960	56.3	5.2	7.0	44.2	2.8	2.2	19.3
1965	64.9	5.4	8.0	50.5	5.6	3.0	19.5
1966	76.2	7.7	10.4	55.6	31.9	4.6	20.8[2]
1967	81.5	9.0	11.2	60.9	27.5	5.5	26.4[2]
1968	86.4	9.5	18.2	65.2	13.7	6.6	27.1[2]
1969	98.9	10.3	17.7	72.4	18.0	7.7	28.7
1970	98.8	11.7	18.3	77.9	19.7	12.3	18.9
1971	107.2	13.2	21.0	81.6	24.5	10.3	25.0
1972	147.3	21.4	33.8	120.2	20.3	8.8	53.2
1973	186.3	28.0	40.9	145.7	37.2	10.0	57.3

[1]Current liabilities include "long term debt due within one year" for which provision has been made for current settlement. If no provision has been made for current settlement, matured long term debt is included in "long term debt."
[2]Does not include one large freight forwarder in process of reorganization under Chapter X of the Bankruptcy Act.

Source: See Table 1.

Table 5

Net revenue from forwarder operations less taxes, net income, and rate of return, class A freight forwarders, selected years, 1950-1973

Year	Net investment in transportation property plus working capital	Net revenue from forwarder operations less transportation taxes	Ratio of revenue from forwarder operations, less transportation taxes, to net investment in transportation property plus working capital[1]	Ratio of net income to shareholders' equity[1]
	Millions	*Millions*	*Percent*	*Percent*
1950	$12.6	$ 7.5	59.22	31.06
1955	16.8	7.2	42.82	22.29
1960	17.3	5.0	29.20	14.47
1965	19.8	18.5	93.21	58.30
1966	28.3	22.8	80.50	56.75[2]
1967	29.7	17.8	59.90	37.01[2 3]
1968	30.7	16.5	53.61	25.01[2 3]
1969	36.8	16.5	45.02	24.28[3]
1970	32.5	2.5	7.81	-
1971	38.8	13.5	34.87	21.28[3]
1972	48.5	17.5	36.23	14.82[3]
1973	67.3	23.4	34.77	23.35[3]

[1]Ratios shown here are computed from data as reported and therefore do not reflect exactly the ratios of the aggregates shown because of rounding.

[2]Does not include one large freight forwarder in process of reorganization under Chapter X of the Bankruptcy Act.

[3]After adjustment for extraordinary and prior period items.

Source: See Table 1.

Based on quarterly data submitted to the Commission by forwarders, the number of class A freight forwarders increased from 106 in 1973 to 116 in 1974, total weight of shipments handled and number of shipments increased 14.2 and 7.8 percent, respectively. However, increases in average pounds per shipment and average charges per hundred pounds resulted in an increase of 26.7 percent in transportation revenues. Total transportation purchased from carriers handling forwarder traffic was $802.8 million in 1974, up 28.7 percent from 1973. Incidental revenues increased 45.9 percent producing total operating revenues of $370.3 million, up 23.6 percent. Operating expenses rose by $60.9 million, resulting in an increased net revenue from forwarder operations of $38.5 million as compared with $28.6 million in 1973.

Transportation revenues, transportation purchased, operating revenues and expenses, and selected operating statistics, class A freight forwarders,[1] 1974 and 1973

- - -

Thousands

Item	1974	1973	Percent change
Transportation revenue	$1,143,259	$902,653	26.7
Transportation purchased:*			
Railroad transportation	248,916	205,102	21.4
Motor transportation	104,360	80,082	30.3
Water transportation	56,396	37,738	49.4
Pickup, delivery, and transfer	223,671	170,999	30.8
Other	169,423	129,656	30.7
Total transportation purchased	802,766	623,577	28.7
Incidental revenues	29,766	20,395	45.9
Total operating revenues	370,259	299,471	23.6
Total operating expenses	331,727	270,862	22.5
Ordinary income before income taxes	33,295	24,136	37.9
Ordinary income after income taxes	19,498	12,536	55.5
Net income	19,682	10,204	92.9
Tons of freight received from shippers	4,597	4,027	14.2
Number of shipments received from shippers	12,765	11,844	7.8
Average charge per 100 pounds	$ 12.43	$ 11.21	10.9
Average pounds per shipment	720	680	5.9

*Debit or reverse item.
[1]Forwarders having revenues of $100,000 or more per annum.

Source: Bureau of Accounts, Statement No. 950.

2. Carloading trends, length of haul, and average carload, class I railroads, selected years, 1963-1974:

Trends in rail freight carloading, revenue ton miles, average tonnage per carload, and length of haul for class I railroads, are shown in the following tables. Tank and refrigerator cars owned by private car companies are not included in Table 1, nor is carload traffic originating on certain class II railroads, although loadings of cars owned by class II railroads are included in total carloadings. Consequently, the data are useful in describing trends rather than absolute levels in a specific year.

The total number of cars loaded declined by 8.9 percent between 1963 and 1974 and the number of cars owned or leased by class I railroads decreased by 8.6 percent. Significantly, boxcars loaded declined by 39.1 percent over the same period.

The substantial decline in boxcar loadings resulted in part from a shift in traffic from boxcars to flat cars (TOFC) and covered hopper cars, and the virtual disappearance of LCL traffic. During the period 1963-1974 the number of flat and hopper cars loaded increased by 82.7 and 138.9 percent, respectively.

Although the number of cars loaded decreased 8.9 percent between 1963-1974, the revenue ton miles of class I railroads increased by 37.3 percent, reflecting increases in both the average tonnage per loaded car and length of haul. Utilization of the fleet has also varied in response to charges in loading patterns and operational changes.

Table 1

Number of cars loaded, number of cars owned or leased by type of car, class I railroads, and ratio of loadings to cars owned--selected years

Type of Car	1963	1969	1970	1971	1972	1973	1974	1975
Number of cars loaded								
All box	10,569,690	8,277,168	7,741,592	7,194,196	7,198,851	7,248,428	6,436,159	
Refrigerator	1,103,906	1,110,633	1,117,344	1,057,480	1,082,306	1,069,631	1,006,708	
Gondola	3,544,109	3,129,361	3,005,218	2,731,351	2,814,672	3,076,628	3,022,444	
Hopper, except LO	9,553,935	9,676,539	9,339,204	8,435,511	8,425,174	8,759,515	8,672,290	
Covered hopper, LO	1,313,685	2,412,178	2,520,099	2,566,326	2,855,655	3,051,290	3,138,557	
Stock	167,332	69,101	51,606	37,604	30,713	32,345	24,874	
Flat	1,813,416	3,176,284	3,056,489	3,091,741	3,294,273	3,496,653	3,313,760	
Tank	1,684,696	1,547,960	1,437,458	1,302,063	1,341,502	1,418,956	1,423,529	
Other	854,145	990,105	876,410	797,287	812,509	823,813	837,417	
Total	30,604,914	30,389,129	29,145,420	27,213,559	27,855,655	28,977,259	27,875,738	
Total (less refrigs. & tanks)	27,816,312	27,730,536	26,590,618	24,854,016	25,431,847	26,488,672	25,445,501	
Owned or leased by type of car[1]								
All box	637,775	550,844	546,073	536,361	524,444	519,812	510,207	503,592
Refrigerator[2]	29,291	52,535	55,068	53,813	65,471	66,709	73,023	72,222
Gondola	249,618	197,087	192,238	187,429	183,512	186,381	183,805	182,157
Hopper, except Lo	443,784	410,508	394,204	388,492	386,482	379,461	360,592	349,681
Covered hopper, LO	69,106	122,566	125,867	130,954	138,099	142,309	151,155	155,281
Stock	26,190	14,964	11,797	10,189	8,687	6,529	5,215	4,898
Flat	54,125	68,558	71,498	75,622	76,976	94,610	99,567	98,612
Tank[2]	6,030	4,717	4,541	4,021	3,706	3,271	3,354	3,333
Other	36,452	36,441	36,904	36,462	35,034	34,235	31,301	31,466
Total	1,552,371	1,458,220	1,438,190	1,423,343	1,422,411	1,433,317	1,418,219	1,401,242
Avg. carrying capacity	56.31	65.62	67.19	68.4	69.6	70.5	71.5	
Total (less refrigs. & tanks)	1,517,050	1,400,968	1,378,581	1,365,509	1,353,234	1,363,337	1,341,842	1,325,687
Ratio of loadings to number of cars owned or leased								
All box	16.57	15.03	14.18	13.41	13.73	13.94	12.61	
Refrigerator[3]	37.69	21.14	20.29	19.65	16.53	16.03	13.79	
Gondola	14.20	15.88	15.63	14.57	15.34	16.51	16.44	
Hopper, except LO	21.53	23.57	23.69	21.71	21.80	23.08	24.05	
Covered hopper, LO	19.01	19.68	20.02	19.60	20.68	21.59	20.76	
Stock	6.39	4.62	4.37	3.69	3.54	4.95	4.77	
Flat (including TOFC)	33.50	46.33	42.75	40.88	42.80	36.96	33.28	
Tank	279.39	328.12	316.55	323.82	361.98	433.80	424.43	
Other	23.43	27.17	23.75	21.87	23.19	24.06	26.75	
Total	19.71	20.84	20.27	19.12	19.58	20.22	19.66	
Total (less refrigs. & tanks)	18.34	19.79	19.29	18.20	18.79	19.43	18.96	

[1]Does not include Canadian RR owned.
[2]Does not include private car lines.
[3]Of approximately 396,000 cars in the private car lines fleet as of December 31, 1973, about 49 percent were tank (149,426) and refrigerator (42,182). Hence, ratios for these car types are inflated to the extent such cars are included in the carloadings and excluded in the "owned and leased" cars reported by the railroads.

Source: Association of American Railroads.

Table 2

Revenue ton miles, average haul, and tonnage per loaded freight car, class I railroads, selected years, 1963-1974

Year	Revenue ton miles	Average haul U.S. as a system	Tons per carload originated
	Billions	*Miles*	
1963	621.7	483.82	46.7
1968	744.5	519.82	51.8
1969	767.9	521.12	53.1
1970	762.5	515.05	54.9
1971	739.4	531.82	55.2
1972	776.9	537.48	56.3
1973	851.8	556.36	56.7
1974p	853.9	557.88	58.0

p Preliminary.

Source: Bureau of Accounts; tons per carload computed by Association of American Railroads.

3. Car miles and miles of road operated in rail freight and passenger service, selected years, 1960-1974:

The statistics on road mileage, traffic volume, and density of the freight and passenger operations of class I railroads are shown in the accompanying table. Between 1960 and 1974, the increase of 9.1 percent in freight car miles accompanies an increase of 49.2 percent in freight ton miles, reflecting a 47.4-percent increase in average loads per car. The general trend of increasing freight traffic moving over somewhat fewer road miles is pointed up by the 58.7-percent increase in density as measured by ton miles per mile of road.

Passenger service car miles decreased by 73.5 percent during the same period, in response to declining patronage and reduction or elimination of passenger service by many class I railroads. Beginning May 1, 1971, the rail passenger service was taken over by the National Railroad Passenger Corporation (Amtrak). The 51.4-percent fewer revenue passenger miles, 1974 compared to 1960, were traveled on passenger road mileage which was shortened by 67.5 percent, resulting in a 48.9-percent increase in passenger service density.

Miles of road operated, freight and passenger car miles, revenue freight ton miles, and passenger miles, class I line-haul railroads, 1960-1974

Year	Miles of road		Car miles		Revenue ton miles	Revenue passenger miles	Average load per freight car	Ton miles per mile of road in freight service	Passenger miles per mile of road in passenger service
	Freight service	Passenger service	Freight service	Passenger service					
			Millions	*Thousands*	*Billions*	*Millions*	*Tons*	*Thousands*	*Thousands*
1960	219,665	93,816	28,158	1,101,021	572.3	21,257	34.0	2,605	227
1965	212,133	76,993	29,335	884,972	697.9	17,389	39.7	3,290	226
1966	211,474	73,173	30,373	838,015	738.3	17,095	41.0	3,491	234
1967	211,835	67,827	29,659	729,686	719.4	15,201	41.9	3,396	224
1968	211,181	59,259	30,086	581,099	744.5	13,120	42.6	3,525	221
1969	210,986	56,484	30,344	488,697	767.9	12,169	43.5	3,640	215
1970	209,401	49,533	29,928	414,099	762.5	10,770	44.9	3,642	217
1971[1]	209,293	40,032	29,181	290,245	739.4	8,901	45.6	3,533	222
1972[1]	208,012	29,398	30,305	256,184	777.9	8,560	46.7	3,740	291
1973[1]	205,175	28,286	31,266	197,552	851.6	9,298	48.7	4,151	329
1974[1]	206,597	30,599	30,728	291,976	853.9	10,333	50.1	4,133	338

[1]Includes Amtrak.

Source: Bureau of Accounts, Statements 210, 220, and 100.

4. Measures of rail freight traffic and car use, selected years, 1939-1974:

Indicators of freight car use by class I railroads for selected years are shown in the following table. The statistics of loaded and empty car miles, revenue carloads originated, revenue and nonrevenue ton miles, and aggregate capacity apply to cars owned and leased by class I railroads. Although cars owned by class II railroads and others also contribute to freight traffic, class I figures are considered satisfactory for the purpose of determining trends.

The following are measures of car use: (1) the percentage of total car miles which are loaded; (2) the ratio of revenue ton miles to revenue and nonrevenue ton miles per ton of aggregate freight car capacity. The same measure for individual roads or areas of use may differ considerably from the average figures shown in the table because of differences in length of haul, which affect the ton miles per carloading; use of specialized cars adapted to customer needs rather than general use, which influence loaded mileage; and assignment of cars to a particular route of service, which affects the utilization of cars.

Revenue ton miles per revenue carload originated have shown a steady increase since 1947, reflecting larger roads and the considerably longer average hauls reported in this issue of Transport Economics. Revenue carloads originated in 1974 were 3.0 percent below the previous year, and revenue ton miles decreased 0.3 percent.

In 1974, the proportion of loaded to total car miles was 57.2 percent, down slightly from the 57.7 percent in 1973. Effective use of capacity, measured in ton miles produced per ton capacity, almost doubled between 1939 and 1943 under the pressure of war needs, then declined until 1959, and has fluctuated in recent years with a 2.7 percent drop occurring in 1974 over 1973.

Measures of freight car use,[1] class I railroads, selected years, 1939-1974

Year	Car miles *Billions*			Percentage of total car miles which are loaded	Revenue carloads originated	Revenue ton miles	Non-revenue ton miles	Total revenue and nonrevenue ton miles	Revenue ton miles per revenue carload originated	Aggregate capacity of freight cars in service[2] (millions of tons)	Revenue and nonrevenue ton miles per ton of capacity
	Loaded	Empty	Total								
					Millions	*Billions*	*Billions*	*Billions*			
1939	13.6	8.2	21.8	62.3	24.1	333.4	30.4	363.9	13,825	82.0	4,437
1943	23.2	12.9	36.1	64.3	35.7	727.1	44.8	771.9	20,391	89.0	8,676
1947	21.4	10.8	32.2	66.4	37.0	654.7	41.9	696.6	17,711	89.2	7,807
1951	20.6	10.6	31.2	66.0	34.9	646.6	30.9	677.5	18,504	92.7	7,311
1955	20.1	11.1	31.2	64.5	32.8	623.6	18.6	642.2	19,035	91.2	7,040
1959	17.8	10.8	28.6	62.3	28.2	575.5	12.7	588.2	20,390	92.3	6,375
1963	17.1	11.0	28.1	60.9	27.5	621.7	11.2	632.9	22,618	85.9	7,364
1967	17.4	12.2	29.6	58.9	27.5	719.5	10.8	730.3	26,148	93.7	7,797
1968	17.8	12.3	30.1	59.3	27.6	744.0	11.7	755.7	26,935	93.5	8,079
1969	18.0	12.4	30.4	59.2	27.7	767.8	10.0	777.8	27,692	94.3	8,245
1970	17.3	12.6	29.9	57.8	27.0	764.8	10.4	775.2	28,311	95.6	8,112
1971	16.5	12.7	29.2	56.6	25.2	739.7	10.4	750.1	29,387	96.5	7,774
1972	17.1	13.2	30.3	56.5	25.7	776.9	10.9	787.8	30,224	96.1	8,199
1973	18.0	13.2	31.2	57.7	27.0	851.8	11.7	863.5	31,560	95.4	9,052
1974p	17.6	13.1	30.7	57.2	26.2	853.9	11.7	865.6	32,567	98.3	8,806

p Preliminary.
[1]Ratios are based on actual figures. Data may not add due to rounding.
[2]Cars in service of class I railroads--owned and leased at close of year.

Source: *Transport Statistics in the United States*, and prior releases. Carloadings, unless otherwise noted, *Freight Commodity Statistics, Class I Railroads in the United States*, and prior releases.

5. Piggyback traffic movements, selected years:

Class I railroads

The number of trailers and containers originating by class I railroads in their piggyback operations rose from 2,509 thousand units in 1973 to 2,568 thousand in 1974, or by 2.4 percent. Total number of units received from connecting railroads (including overhead traffic) increased 4.3 percent over 1973. Plan II 1/2 continued to be the most advantageous piggyback arrangement utilized by class I railroads. Plan II 1/2 accounted for 54.2 percent of units originating on line, and 61.1 percent received from connecting carriers and terminated on respondents' lines.

In 1974, the net tons originating on line increased 9.8 percent over 1973. Net tons received from connecting lines, either terminated on line or delivered to connecting railroads, increased 9.3 percent over the same period.

Gross piggyback revenues originated in year 1974 were up 14.0 percent--$846.8 million compared to $742.9 million in 1973. Plan II 1/2 accounted for 48 percent of total revenues by plan. Total revenues received from connecting railroads increased 10.3 percent during the corresponding period.

Class I motor carriers

The number of trailers and containers tendered by class I motor carriers to railroads by plan (except plan V) for piggyback movements dropped from 332,198 units in 1973 to 260,833 units in 1974, or by 21.5 percent (see Table 4). Among the class I motor carriers of property, plans I and II 1/2 were the most popular method and captured 49.6 and 42.1 percent, respectively, of the total. Plan V trailers and containers decreased 3.1 percent, from 35,243 in 1973 to 34,154 in 1974. The number of tons originated by motor carriers under plans I and II 1/2 accounted for 48.8 and 42.7 percent of total tonnage delivered to railroads. Tons originated by plan decreased 17.0 percent from the 1973 period, and total tons including plan V decreased 16.4 percent over the same period.

Class A freight forwarders

The use of piggyback service by freight forwarders in 1974 increased by 1.6 percent or 7,809 trailer and container units over 1973 (see Table 5). All individual plans showed increases over 1973 with the exception of a slight decrease in plan II 1/2. Although plan II 1/2 continues to be the principal piggyback plan used by freight forwarders (46.2 percent) its relative importance has been declining since 1972. Plan IV continues to be the second most important plan used.

The number of tons originated by forwarders, following the general progression of the number of trailers and containers originated, also increased by some 5 percent or 210.4 thousand tons over 1973 totals (see Table 6). Forwarder piggyback payments to railroads in 1974 likewise increased by roughly 23 percent, or $32.0 million over the previous year (see Table 7).

Class A water carriers and maritime carriers

In 1974, a total of 126,903 trailer and container units were reported as being terminated by class A water carriers and maritime carriers, the largest number ever recorded since reporting began in 1964 (see Table 8). The increase in total units was also accompanied by significant gains in both tons and revenue during 1974 (see Tables 9 & 10).

Table 1

Trailers and containers originated and terminated by class I railroads, piggyback traffic, by plan, years 1973 and 1974

	Plan I	Plan II	Plan II 1/4	Plan II 1/2	Plan III	Plan IV	Plan V	Reported by plan-total	NEC	Total
A. Originating on respondents' lines										
a. Terminating on respondents' lines										
1973	214,680	224,964	4,529	666,022	104,821	67,562	53,523	1,336,101	86,512	1,422,613
1974	180,266	195,477	7,749	689,344	144,097	68,837	50,853	1,336,623	93,066	1,429,689
b. Delivered to connecting railroads										
1973	9,897	157,586	2,609	684,506	63,091	105,745	11,442	1,034,876	51,499	1,086,375
1974	15,058	144,015	2,429	703,927	80,784	112,421	13,365	1,071,999	66,621	1,138,620
Originating on respondents' lines--total										
1973	224,577	382,550	7,138	1,350,528	167,912	173,307	64,965	2,370,977	138,011	2,508,988
1974	195,324	339,492	10,178	1,393,271	224,881	181,258	64,218	2,408,622	159,687	2,568,309
B. Received from connecting railroads										
a. Terminating on respondents' lines										
1973	9,664	129,743	2,329	716,624	71,272	158,970	11,072	1,099,679	48,705	1,148,384
1974	16,900	107,256	2,390	736,612	94,689	170,838	11,592	1,140,277	64,706	1,204,983
b. Delivered to connecting RR--overhead - total										
1973										516,667
1974										531,831
c. Received from connecting RR--total										
1973										1,665,051
1974										1,736,814

Table 2

Net tons originated and terminated by class I railroads, piggyback traffic, by plan, years 1973 and 1974

(Thousands)

	Plan I	Plan II	Plan II 1/4	Plan II 1/2	Plan III	Plan IV	Plan V	Reported by plan-total	NEC	Total
A. Originating on respondents' lines										
a. Terminating on respondents' lines										
1973	3,074	3,451	224	11,713	1,569	1,062	881	21,974	1,382	23,356
1974	3,761	3,436	114	12,615	2,165	1,061	852	24,004	1,434	25,438
b. Delivered to connecting railroads										
1973	134	2,775	48	12,754	993	1,654	176	18,534	699	19,233
1974	183	2,754	142	13,686	1,143	2,209	213	20,330	975	21,305
Originating on respondents' lines--total										
1973	3,208	6,226	272	24,467	2,562	2,716	1,057	40,508	2,081	42,589
1974	3,944	6,190	256	26,301	3,308	3,270	1,065	44,334	2,409	46,743
B. Received from connecting railroads										
a. Terminating on respondents' lines										
1973	137	2,146	40	13,172	1,128	2,447	159	19,229	764	19,993
1974	211	1,922	38	13,890	1,417	3,068	185	20,731	916	21,647
b. Delivered to connecting RR--overhead - total										
1973										9,373
1974										10,448
c. Received from connecting RR--total										
1973										29,366
1974										32,095

Table 3

Gross revenues originated and terminated by class I railroads, piggyback traffic, by plan, years 1973 and 1974

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(Dollars in thousands)

	Plan I	Plan II	Plan II 1/4	Plan II 1/2	Plan III	Plan IV	Plan V	Reported by plan-total	NEC	Total
A. Originating on respondents' lines										
a. Terminating on respondents' lines										
1973	37,281	90,128	2,875	178,559	21,022	47,290	17,348	394,503	34,155	428,658
1974	35,143	92,947	6,284	216,840	34,928	55,874	18,514	460,530	38,297	498,827
b. Delivered to connecting railroads										
1973	2,153	54,752	1,939	171,037	14,398	41,496	2,448	288,223	26,102	314,325
1974	2,970	56,950	2,306	189,263	18,458	41,501	3,283	314,731	33,282	348,013
Originating on respondents' lines--total										
1973	39,434	144,880	4,814	349,596	35,420	88,786	19,796	682,726	60,257	742,983
1974	38,113	149,897	8,590	406,103	53,386	97,375	21,797	775,261	71,579	846,840
B. Received from connecting railroads										
a. Terminating on respondents' lines										
1973	2,147	44,261	783	167,770	15,854	87,599	2,323	320,737	22,239	342,976
1974	2,380	41,372	968	192,153	20,281	106,523	2,736	366,413	29,233	395,646
b. Delivered to connecting RR--overhead - total										
1973										140,594
1974										137,938
c. Received from connecting RR--total										
1973										483,570
1974										533,584

Table 4

Trailers and containers and net tons reported by class I motor carriers of property, piggyback traffic by plan, years 1974 and 1973

	Number of trailer and container units		Net tons (000)	
	1974	1973	1974	1973
Piggyback traffic originated--trailers and containers delivered to railroads, except plan V units				
Plan I	129,317	159,931	1,825	2,173
Plan II	4,595	5,680	81	96
Plan II 1/2	109,767	146,346	1,595	1,983
Plan III	10,099	11,210	153	146
NEC, except plan V	7,055	9,031	84	108
Total, except plan V	260,833	332,198	3,738	4,506
Piggyback traffic--plan V Trailers and Containers				
Delivered to railroads	26,443	25,151	332	334
Received from railroads	7,711	10,092	77	120
Total plan V	34,154	35,243	409	454
Total railroad piggyback	294,987	367,441	4,147	4,960
Containers included in total	9,298	5,123	118	73
Use of connecting or underlying water service Joint-rate or plan V type movements				
Delivered to water carriers	30,640	36,337	562	603
Received from water carriers	33,595	36,071	590	613
Total, joint rate or plan V	64,235	72,408	1,152	1,216
NEC, or unknown	551	806	7	12
Total water-carrier piggyback	64,786	73,214	1,159	1,228
Containers included in total	49,935	51,265	934	867
Steamship pier traffic--loaded trailers and containers in line-haul motor service with prior or subsequent water movement:				
To steamship piers Coastwise and intercoastal				
Trailers	1,274	1,431	7	14
Containers	10,834	10,038	165	158
Total, coastwise and intercoastal	12,108	11,469	172	172

(Continued)

(Continued)

	Number of trailer and container units		Net tons (000)	
	1974	1973	1974	1973
Other water carrier movements				
Trailers	2,180	2,906	38	51
Containers	16,635	27,729	259	453
Total, other movements	18,815	30,635	297	504
Total, to steamship piers	30,923	42,104	469	676
From steamship piers Coastwise and intercoastal				
Trailers	849	205	15	3
Containers	4,593	7,203	64	117
Total, coastwise and intercoastal	5,442	7,408	79	120
Other water carrier movements				
Trailers	1,171	1,417	21	22
Containers	9,456	12,211	138	183
Total, other movements	10,627	13,628	159	205
Total, from steamship piers	16,069	21,036	238	325

Table 5

Trailers and containers originated by class A freight forwarders, piggyback traffic by plan, years 1972-1974

Year	Total originations	Total by specified plan	Plan II	Plan II 1/2	Plan III	Plan IV	Plan V	Other arrange-ments	Water
1972	217,472	212,849	6,249	107,169	23,215	75,148	1,068	1,366	3,257
1973	261,303	257,635	4,666	127,313	22,634	101,375	1,647	607	3,061
1974	265,444	261,450	5,193	122,577	23,995	107,760	1,925	576	3,418
			-- Percent of total trailer and container originations --						
1972	100.0	97.9	2.9	49.3	10.9	34.5	.5	.6	1.5
1973	100.0	98.6	1.8	48.7	8.7	38.8	.6	.2	1.2
1974	100.0	98.5	2.0	46.2	9.0	40.6	.7	.2	1.3

Table 6

Net tons originated by class A freight forwarders, piggyback traffic by plan, years 1972-74

Thousands

Year	Total originations	Total by specified plan	Plan II	Plan II 1/2	Plan III	Plan IV	Plan V	Other arrange-ments	Water
1972	2,627.5	2,578.2	74.7	1,175.8	268.6	1,038.9	20.2	18.6	30.7
1973	3,266.2	3,224.0	39.9	1,452.6	284.1	1,418.4	29.0	10.8	31.4
1974	3,434.4	3,395.8	51.6	1,482.3	311.9	1,514.5	35.5	8.2	30.4
			-- Percent of total tonnage originations --						
1972	100.0	98.1	2.8	44.8	10.2	39.5	.8	.7	1.2
1973	100.0	98.7	1.2	44.5	8.7	43.4	.9	.3	1.0
1974	100.0	98.9	1.5	43.2	9.1	44.1	1.0	.2	.9

Table 7

Payments to railroads for piggyback service, class A freight forwarders, by plan, years 1972-74

Thousands of dollars

Year	Total payments	Total by specified plan	Plan II	Plan II 1/2	Plan III	Plan IV	Plan V	Other arrange-ments	Water
1972	104,375.2	101,661.0	3,309.0	35,877.7	6,950.6	54,885.1	638.6	1,024.8	1,689.4
1973	136,743.1	134,149.1	2,522.8	45,699.0	7,519.5	77,683.8	724.0	490.5	2,103.5
1974	168,765.7	165,610.3	3,586.8	53,347.4	9,066.9	98,694.2	915.0	695.0	2,460.4
			-- Percent of total payments --						
1972	100.0	97.4	3.2	34.4	6.7	52.5	.6	1.0	1.6
1973	100.0	98.1	1.9	33.4	5.5	56.8	.5	.4	1.5
1974	100.0	98.1	2.1	31.6	5.4	58.5	.5	.4	1.5

Table 8

Trailers and containers terminated by class A water carriers and maritime carriers, fishyback traffic by plan, years 1972-74

	1972	1973	1974
Total	102,776	117,272	126,903
Unit loads - total	93,411	107,865	119,461
Plan II type	47,180	34,567	23,340
Plan V type	46,231	73,298	96,121
Consolidated shipments	9,365	9,407	7,442
	-- Percent of total units terminated --		
Total	100.0	100.0	100.0
Unit loads - total	90.9	92.0	94.1
Plan II type	45.9	29.5	18.4
Plan V type	45.0	62.5	75.7
Consolidated shipments	9.1	8.0	5.9

Table 9

Net tons terminated by class A water carriers and maritime carriers, fishyback traffic by plan, years 1972-74

	1972	1973	1974
Total	1,779,981	2,054,682	2,600,775
Unit loads - total	1,699,588	1,936,510	2,492,073
Plan II type	914,070	603,888	392,676
Plan V type	785,518	1,332,622	2,099,397
Consolidated shipments	80,393	118,172	108,702
	-- Percent of net tons terminated --		
Total	100.0	100.0	100.0
Unit loads - total	95.5	94.2	95.8
Plan II type	51.4	29.3	15.1
Plan V type	44.1	64.9	80.7
Consolidated shipments	4.5	5.8	4.2

Table 10

Gross revenue of terminations reported by class A water carriers and maritime carriers, fishyback traffic by plan, years 1972-74

- - -

Thousands of dollars

	1972	1973	1974
Total	99,533.0	104,180.3	150,941.1
Unit loads - total	88,291.9	89,517.4	132,795.8
Plan II type	46,094.7	27,745.2	11,797.2
Plan V type	42,197.2	61,772.2	120,998.6
Consolidated shipments	11,241.1	14,662.9	18,145.3
	-- Percent of gross revenue --		
Total	100.0	100.0	100.0
Unit loads - total	88.7	85.9	88.0
Plan II type	46.3	26.6	7.8
Plan V type	42.4	59.3	80.2
Consolidated shipments	11.3	14.1	12.0

Table 11

Total number of piggyback units and containers moved by freight forwarders and water carriers, years 1964-1974

- - -

Thousands

Year	Total trailers/containers reported	Total containers	Index	Total participation (percent)
		Freight forwarders		
1964	119.8	11.3	100.0	9
1965	163.1	14.5	128.7	9
1966	201.3	15.8	140.1	8
1967	231.4	14.3	127.0	6
1968	242.8	10.0	88.6	4
1969	225.6	2.3	20.0	1
1970	232.3	3.3	29.4	1
1971	199.3	4.5	39.8	2
1972	217.5	5.9	52.2	3
1973	261.3	5.5	48.7	2
1974	265.4	5.3	46.9	2
		Water and maritime carriers		
1964	76.7	67.2	100.0	88
1965	70.2	59.9	89.0	85
1966	80.5	67.1	99.8	83
1967	58.4	49.1	73.0	84
1968	50.9	40.5	60.3	80
1969	69.8	57.4	85.4	82
1970	82.8	68.6	101.9	83
1971	80.0	69.9	103.9	87
1972	102.8	87.8	130.7	85
1973	117.3	95.8	142.6	82
1974	126.9	108.7	161.8	86

6. The price index for railroad freight:

The accompanying chart and table revise and update the Railroad Freight Price Index recently developed by the Bureau of Labor Statistics (BLS), reported initially in the most recent issue of Transport Economics. The index measures monthly changes in the average price of transporting all freight by rail. Breakdowns by selected commodity groups are published by BLS in Table 14 of their monthly publication Wholesale Prices and Price Indexes.

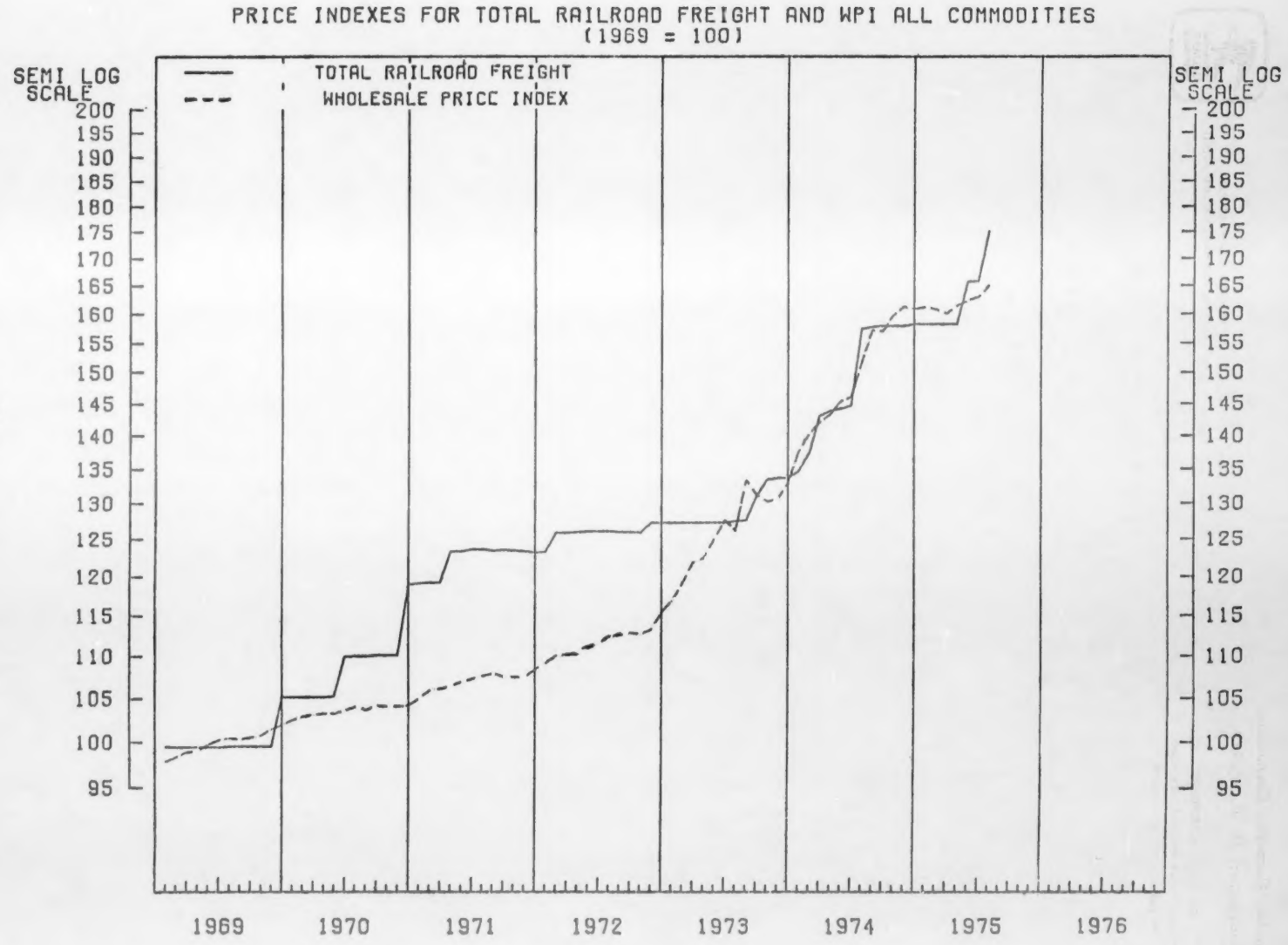
The total railroad freight index for July shows a 5.6-percent increase from the June 1975 level. This reflects the 5-percent general rate increase granted in Ex Parte No. 313, and the removal of some of the holddowns and flagouts initially required by the Commission in its order in Ex Parte No. 310 on autos, lumber, and some farm products. However, some holddowns, particularly on lumber, have continued to remain in effect voluntarily.

Any inquiries or comments regarding this index should be addressed to Mrs. Carolyn S. Fehd, Office of Prices and Living Conditions, Bureau of Labor Statistics, Washington, D.C. 20212.

Price indexes for total railroad freight and WPI all commodities
(1969=100)

Yr.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Total railroad freight												
1969	99.5	99.5	99.5	99.5	99.5	99.5	99.6	99.6	99.6	99.6	99.6	105.2
1970	105.2	105.2	105.2	105.2	105.3	110.0	110.1	110.1	110.2	110.2	110.2	119.1
1971	119.2	119.3	119.3	123.4	123.4	123.7	123.7	123.5	123.6	123.5	123.4	123.2
1972	123.3	126.0	126.0	126.1	126.2	126.2	126.2	126.1	126.1	126.0	127.4	127.4
1973	127.4	127.4	127.4	127.4	127.4	127.4	127.6	127.7	131.1	133.6	133.8	133.8
1974	134.8	137.5	143.2	144.0	144.3	144.8	157.5	157.8	158.0	158.0	158.0	158.3
1975	158.3	158.3	158.3	158.3	165.8[1]	165.9	175.2					
Wholesale price index												
1969	97.9	98.4	99.0	99.1	99.8	100.3	100.5	100.4	100.6	100.8	101.5	102.0
1970	102.6	103.0	103.2	103.3	103.3	103.7	104.1	103.7	104.2	104.1	104.1	104.2
1971	105.0	105.9	106.1	106.4	106.9	107.3	107.6	107.9	107.5	107.4	107.5	108.4
1972	109.2	110.1	110.2	110.3	111.0	111.5	112.4	112.6	112.9	112.7	113.3	115.4
1973	116.9	119.2	121.9	122.5	125.1	127.7	126.1	133.4	131.2	130.2	130.7	133.1
1974	137.7	140.4	142.2	143.4	145.5	146.2	151.8	157.2	157.0	159.8	161.4	161.0
1974	161.3	160.8	160.0	161.6	162.5	163.1	165.0					

[1]Revised June 1975.


PRICE INDEXES FOR TOTAL RAILROAD FREIGHT AND WPI ALL COMMODITIES
(1969 = 100)
TOTAL RAILROAD FREIGHT
WHOLESALE PRICE INDEX
SEMI LOG SCALE
SEMI LOG SCALE
200
195
190
185
180
175
170
165
160
155
150
145
140
135
130
125
120
115
110
105
100
95
1969
1970
1971
1972
1973
1974
1975
1976

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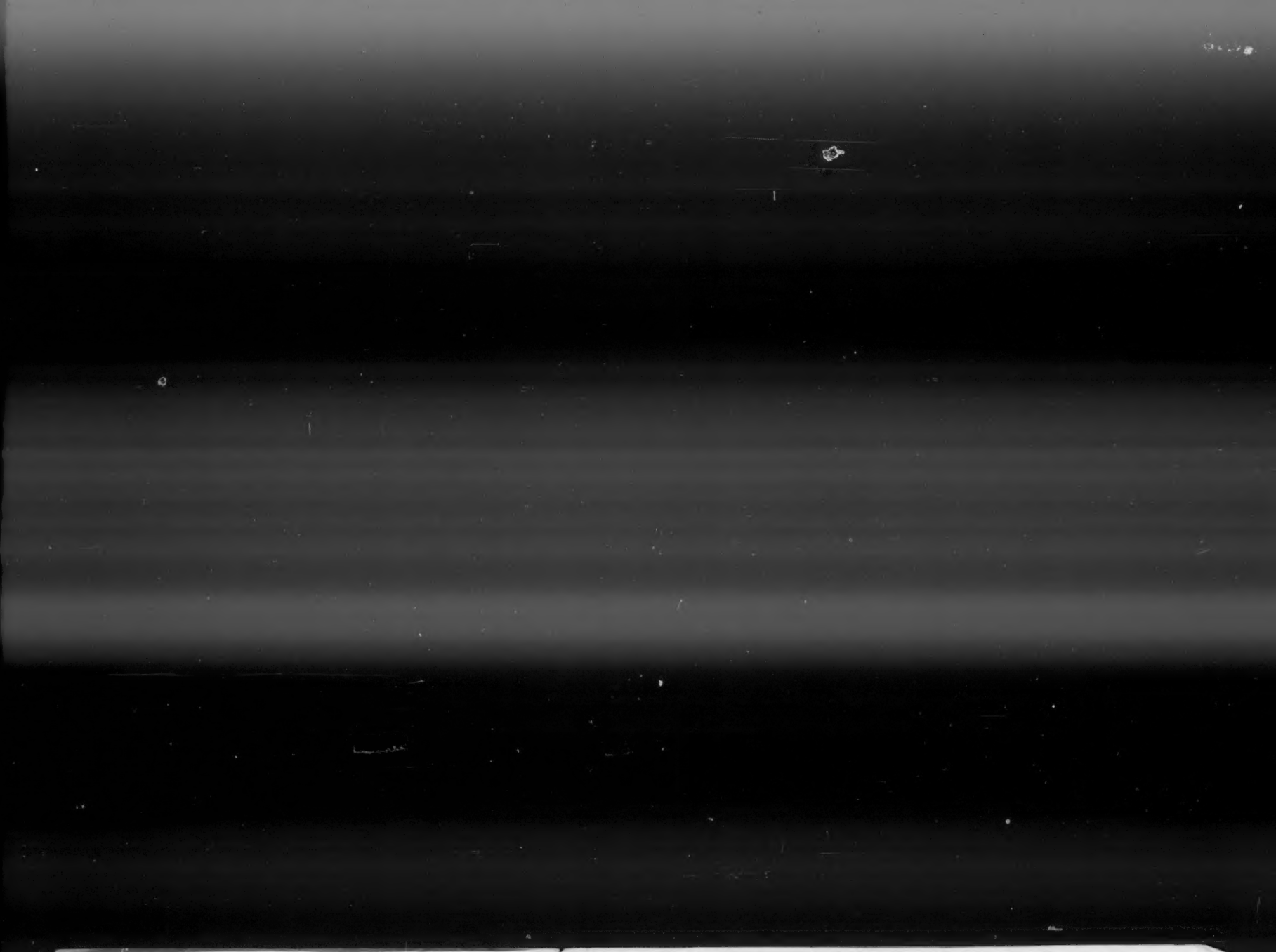
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